
Recommended Financing Options Listing - Finance Subcommittee
(including Comparison with other California cities)
June 2002

| | <u>Voter Requirement</u> | <u>Basis of Levy</u> | <u>Revenue Generation</u> | <u>Comparison with other California cities</u> |
|---|---|---|--|--|
| Refuse Collection Fee | 50% to amend the City Municipal Code | City-wide, on residential collection | Approximately \$33 million a year to replace General Fund appropriations through a monthly fee of approximately \$9. | Los Angeles- fee is partial cost recovery; Most other cities fully recapture costs <u>(San Diego- currently no refuse collection fee)</u> |
| Utility Users Tax | 50% | City-wide. | \$45 million a year for a 2.5% tax rate. | Los Angeles- 10.3%; San Francisco-7.5% for Commercial accounts; Sacramento- 5%-7.5% <u>(San Diego- currently no utility users tax)</u> |
| Transient Occupancy Tax | 50% if for general purposes | City-wide. Primarily derived from visitors | \$23 million a year for a 2.5% increase (resulting total rate of 13%) | Los Angeles and San Francisco, both 14%; Sacramento- 12% <u>(San Diego- now 10.5%)</u> |
| Real Property Transfer Tax | 50% | Levied on property sales. | \$21 million a year at a tax rate of \$2.75 per \$1000 valuation. | Los Angeles- \$4.50 per \$1000; San Francisco- \$6.80 Sacramento- \$2.75 <u>(San Diego- now \$0.55 per \$1000)</u> |
| Business License Tax | 50% | City-wide, although specific rates could reflect policy priorities. | Additional \$4.7 million from doubling of current rates of general business licenses. Alternatively, an increase from \$5 to \$100 per employee at large firms would generate additional \$23.7 million a year (would represent 3.5% of the \$668m General Fund) | Los Angeles- 11% of General Fund San Francisco- 14% of General Fund Sacramento- 2% of General Fund <u>(San Diego- now 0.7% of General Fund)</u> |
| Transfers from Municipal Utilities (e.g. Utility right-of-way fees) | None, although may be vulnerable to Prop. 218 challenge | Effect would be City-wide. | \$15.8 million per 5% "right-of-way fee" on water and sewer enterprises (if City reinstated the fee being phased out since 1998, it would represent 2.4% of the General Fund) | Los Angeles- 4% of General Fund San Francisco- 2.8% of General Fund Sacramento- 1.3% of General Fund <u>(San Diego- phased out)</u> |
